

Springerville Town Council Workshop  
Minutes  
May 24, 2010  
4:00 p.m.

Council Present: Mary Nedrow Mayor, Bill Lucas, Dan Muth, Ron Thebeau and Phelps Wilkins

Staff: Steve West Town Manager, Val Cordova Town Clerk, Mike Nuttall, Karen Asquith, Larisa Bogardus, Sharon Pinckard and Linda Matthews.

Public: Susan Silva

Mayor Nedrow called the workshop to order at 4:07 p.m.

Public Participation: None

TOWN OF SPRINGERVILLE BUDGET: Discussion regarding the Town's FY 2010-2011 Budget.

Town Manager West explained that some of the numbers have changed and expect that to continue.

CFO Karen Asquith continued noting that adjustments have been made to the budget such as unexpected fees doubled from ADEQ and grants she was not aware of. She further explained that the changes are not large differences. There is a budget for the senior center and the major fund charges are in the airport budget. Adjustments were made for the airports due to timing on grants that impact timing of the Town match. Included is a summary of how the budget looks. She designed forms for the senior center. Sharon has also provided a budget for the council.

Karen explained she put together budget summaries on how we are funding programs. Each page gives the program name, the cost of the program, how much comes from grants, and how much comes from local funding and how comes from the general fund subsidy has been allocated to that program. She noted that Sharon reduced her general subsidy transfer to \$32,500. Karen then explained how the subsidy is used.

Senior Center budget.

Page 4 Sharon explained each category.

Transportation-

Congregate meals are provided in the dining room along with activities for seniors.

Home delivered meals are delivered to the seniors in Springerville and Eagar,

CSBG/TANF – consists of 3 sections,

Senior Food bank distributing commodities, taking applications to prevent eviction, pays utilities, assistance to the homeless. The State approves the applicant and makes the payment for low income and poverty level people.

Mayor Nedrow wanted to know when we went from taking care of seniors to taking care of everyone and why.

Sharon explained these programs were started 20 years ago by Dennis Silva through self sufficient grants. Only the senior center grants are funded by the Town.

Sharon was asked what happens if the grants go away. Do the programs go away?

CFO Karen Asquith addressed the issue of subsidizing the senior center through our general fund noting that last year the Town went into a major budget reduction mode but Sharon's subsidy from the general fund increased from \$35,000 to \$88,000. The assumption is that whatever the short fall is the difference will come from the general fund transfer.

Manager West explained that they did not get the Headstart contract last year so we had to subsidize \$40,000. This year Sharon was awarded the contract so the amount of the subsidy dropped.

Mayor Nedrow stated that we need to get back to the basics and just take care of the seniors.

Sharon explained that all these programs are integrated, some years she's able to get more grants and other years they're cut.

Mayor Nedrow stated, if the Town's budget is worse next year than this year and the senior center doesn't get the Headstart contract the Town isn't going to fill the void.

Sharon said she hopes the Town will step up to the plate if they're not awarded the contract. Years ago Springerville took this step to insure that the seniors were taken care of. The Headstart program is funding the senior center and if they if lose the contract it would cut the food for home delivered and congregate meals.

Mayor Nedrow reiterated that she's not asking to cut senior programs but to cut the programs not related to the seniors.

Manager West explained that the major places they could cut if that happened would be in home delivered meals. But that would mean that there's a chance the state would take back the van, or they could cut wages, FTE's, hours, or you could end up cutting services but there may be grant stipulations that won't allow that.

Councilman Muth said the budgeted revenue for the Headstart contract is \$50,797 and of that \$5,000 goes for congregate meals, \$7,000 for home delivered meals and the senior center take \$12,000 to place in other programs. He asked Sharon what other programs she has where operation costs are less than what's budgeted. He then asked if Headstart is considered a fund raiser. Sharon answered it was.

Councilman Thebeau stated he personally thinks the senior center has gone too far from its primary purpose of taking care of seniors noting we're also not in indebtedness to our seniors legally either but they've branched out to something totally out from where we started.

Mayor Nedrow said they would be putting a cap on the general fund transfers to the senior center budget.

Karen stated there is a lot of concern with the impact on the general fund and the senior center budget is the only one out of control.

Sharon asked the council to realize that there is going to be transfers from the general funds every year and the request will not get lower.

Karen suggested that Sharon submit a budget that would operate within some expected framework.

Sharon suggested one solution to this problem is council support to solicit from various companies.

Karen asked if the senior center would qualify for a 501c3 and break off from the town and become their own entity.

Sharon objected stating 2 employees would lose their retirement and this wouldn't make them eligible for more grants.

Mayor Nedrow said there is a serious problem here and if they cap it for the coming fiscal year, the incoming council can rescind it next year. She suggested placing a cap on the general fund transfer in the amount of \$35,000 and asked staff to put this on the next council agenda for action.

They continued with the remainder of the budget:

Fire fighter revenue: CFO Asquith explained this is for fire services provided by the fire department. This line item is for revenues but we can't put in revenues that we don't know will come in.

Suggestions were made to bring in revenues such as billing for fire fighter response to fires outside the limits or responding to wrecks.

Misc. Fireworks Revenue: Manager West explained this number includes the donations that come into the town.

Donations: Karen explained this is the revenue side for donations that come in.

Fingerprints- Suggestion were made to raise this price.

Mayor & Council – No questions.

General Government Transfers to the Sewer- Susie asked if Eagar and the County pay for sewer service – She was told yes

Airport Grant Match-

Transfer for grant match noted the amount was down \$30,000- Karen explained this was due to changing the timing of the match and therefore this changed the timing of the payment. Contingency- Contingencies have to be applied by fund.

Chamber Funding- The funding was cut by \$10,000 down to \$15,000 plus we subsidize the Chamber by housing and paying the electric.

Councilman Thebeau asked again about the sewerage to the rodeo grounds and all the development around there. Do we know how many people are hooked up.

Manager West answered yes we do but it may become more difficult in the future if bigger developments come in. We meter the sewer by the gallons of water used.

Magistrate- No questions

Administration: What personnel moved into this department that caused the increase in salary. This was due to moving the manager full time.

Finance- Council asked how many employees were in this department and asked for a summary of employees from each department. They were advised there were 2.5 positions allocated in finance.

GIS- This department was cut

Community Development:

Council asked what the Town gets from this department, and does this budget need to be relooked at and why do we have one. He felt that the function of this department should split up with the building department and reiterated it needs to be relooked at.

Manager West explained no one else is knowledgeable enough to handle this tomorrow and asked them to remember that this person was cut to 32 hrs for six months knowing it's slow right now and if it doesn't come we may have to relook at this.

Susie Silva said she felt community development will be the nucleus of the town in the future, it's what enhances our community and it's a needed department. Councilman Wilkins agreed.

Code enforcements- The objective is compliance. We want people to clean up and come into conformance before we attempt anything else.

Mayor Nedrow asked if anyone had talked to the propane company about obscuring the perimeter of the propane tank they put in? She said this was part of the permit process when they were given a conditional use permit to allow the tank to be put in. Larisa said she would follow up.

Continuing Education- Manager West explained that in some departments there is mandated training in order to keep their certifications.

Police Dept-

Continuing Education- What would be the costs if the officer had to pay part of the cost for the certifications training, and would it be burdensome?

Chief Nuttall said it would be.

Animal Control-

Councilman Thebeau asked if the agreement we went into Egar would affect us budgetary wise and if so in what area and is it open for either to take advantage of.

Chief Nuttall said it would not. We now have 7 days a week coverage.

Group Insurance- Manager West explained there are different tiers per person. This year due to budgetary costs each employee is will be paying 15% of the cost of their insurance.

Fire Dept.

Susie questioned contracted services – Manager West said this was Max's salary and the salary and wages is the firefighters. She asked if he was required to work a certain amount of time and was told yes.

Mechanic Shop-

What is the drop in salary- Karen explained that Tom allocated employees and reallocated salaries to the departments in which they are working.

Building Maintenance- No questions.

Parks & Cemetery-

Councilman Thebeau asked what we use to spray the mosquito's. Are we getting our money's worth out of spraying.

Manager West said he would get the MDS sheet for him and yes we do get our money's worth if we get them early we don't have to spray as long.

Casa Malpais –

Councilman Thebeau asked if we were ever going to get a cash register as it's been over a year.

Karen said she almost had this resolved then came into this budget crunch and she was told not to devote any time to this at the moment as there are more important things going on.

Manager West answered that yes we would but noted it's not as easy process.

Councilman Thebeau continued stating that “if we’d purchased a \$5.00 cash register from Wal-Mart a year ago we wouldn’t be having this discussion”.

Manager West stated “today we’re wondering if we’re going to keep Casa Malpais” further saying that we need to get through this budget in order to do these things.

Karen said we currently have a system set up to record the revenues from Casa but she would begin working on this again if it turns into a priority.

Public Works Admin - No Questions

Debt Service – Karen said this is additional loan payments

Grant match number – no questions

General Fund Capital Fund Expenditures - The old school rehab is listed in administration. Flier maintenance number is for a scanner.

HURF Revenue-

What is the appropriation of the fund balance-

Karen explained that this is an assumption that at the end of the fiscal year we will have some cash carry over. This number is to make the budget balance. She also noted that there’s \$150,000 in assumption and 86,900 and 12,201. These numbers are cushion because of the expenditure limitation in case we have to go into budgeting mode.

Senior Center –

Direct payments-. Sharon explained that there is \$150,000 for direct payments to prevent evction, or become homeless, \$18,000 for food for seniors and \$6,000 transient shelter and commodities distributed at the senior center.

Airport Fund Revenue- No questions

Tourism Tax Fund –

Councilman Lucas asked what \$10,000 appropriation of fund balance means.

Karen explained they are running a deficit this year but they have a ton of cash.

General Government Grants –

Councilman Lucas said he was curious between last year and this year.

Larisa explained this is a multi-year projects carried forward.

Public Safety Grants –

A lot of these grants don’t have numbers. Manager West explained that they didn’t put in for them

Transportation Grants - No questions

Other Grants – No questions

Culture Recreation grants- No questions

Public Works Grants- No questions

Water Fund Revenue- No questions

Water Fund- No questions

Sewer Fund –

Karen noted there's going to be a change in revenue. She didn't budget misc. revenue about \$9 to 10,000 bump in revenue..

Sewer fund expenses- No questions

Water fund Capacity fees- No questions

Sewer fund Capacity fees- No questions

Fire Fighters Pension Fund- No questions

Susie Silva said she appreciated the time everyone took to review this with them.

Manager West said they are looking for an adoption of a tentative budget on Thursday. There will be changes to the tentative budget until they adopt a final budget.

Adjournment:

Bill Lucas/Ron Thebeau motion to adjourn the meeting at 6:57 p.m.

Vote:	Ayes:	Mary Nedrow
		Bill Lucas
		Dan Muth
		Ron Thebeau
		Phelps Wilkins

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Mary Nedrow, Mayor

ATTEST:

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Town Clerk

Dated this 8<sup>th</sup> day of June, 2010

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Town Clerk